REMARKS

The Applicants request reconsideration of the rejection. Claims 16-33 are pending.

Claims 16-33 were rejected under 35 USC §103(a) as being unpatentable over Fujisaki, US 4,789,928, in view of Chavez et al, "Kasbah: An Agent Marketplace for Buying and Selling Goods AAMBSG" (Chavez). The Applicants respectfully traverse as follows.

Fujisaki is directed to an auction information transmission processing system. Significantly, Fujisaki omits any teaching or suggestion about the claimed "maximum margin" of the price acceptable to pay proposed by each bidder. Chavez is cited as suggesting this limitation.

Chavez, however, is directed to a system specialized for the negotiation between a seller and plural buyers. Briefly, the Chavez method concerns a seller proposing a selling price and a (lower) minimum acceptable selling price, while each buyer proposes a buying price and a (higher) maximum acceptable buying price. During the automated process, the seller's selling price reduces as time passes, while the buyer's buying price increases as time passes (see the attached Fig. A). When a reduced selling price coincides with an increased buying price, a sale has been negotiated.

An important feature of the invention is that a "competitive state" is resolved in accordance with the maximum margins of the competing bidders. According to Chavez, however, there is no true competitive state that requires resolution. Instead, the first offer that is determined to coincide with the reduced selling price is the price at which the sale is completed, in favor of the corresponding buyer. The maximum acceptable price set forth by the buyer is irrelevant in the determination of and completion of the sale once there is a meeting of the seller's current price and a buyer's current price. Further, the sale price is lower than that initially set by the seller, whereas in an auction, the seller's price increases as the auction progresses.

Thus, according to the invention, the highest possible price (maximum margin) is employed to resolve the competitive state. When the competitive state occurs, the bid price is increased and the competitive state is resolved according to the maximum margins of the competing bidders. If a bidder A (proposing a maximum margin of \$100) and a bidder B (proposing a maximum margin of \$90) are in a competitive state, the bid price is increased from a current price (for example, \$85) to \$95, and the bidder A becomes the successful bidder.

Applying the price change system of Chavez to the auction system of Fujisaki, the seller's selling price according to Chavez would be reduced while the auctioneer would increase the bid price according to Fujisaki or the present invention. Thus, the bid price proposed by the Chavez seller would be reduced from a current price (such as \$85) to \$75 (for example), such that both bidders A and B continue to propose conditions over the bid price and the competitive state is not resolved (see attached Fig. B). In the present invention, the bid price is increased above the seller's initial price, and the successful bidder is resolved based on maximum margins.

In the proposed amendments to the independent claims, the apparatus/method now requires that, when the auction assumes a competitive state by the plurality of bidders proposing the same conditions, the bid price is increased and the competitive state resolved in accordance with the increased bid price and the maximum margins proposed by the competitive bidders. In an office interview conducted on December 18, 2001, summarized in an attached Applicants' Interview Summary Record, the Examiner agreed that these amendments and the above remarks would overcome the combination including Chavez.

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In view of the foregoing amendments and remarks, the Applicants request reconsideration of the rejection and allowance of the claims.

Respectfully submitted,

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MARKED UP VERSION OF REWRITTEN CLAIMS

16. (Amended) A computer-implemented auction method for performing an auction and resolving a competitive state among a plurality of bidders on a network, comprising the steps of:

providing information on a product to be auctioned via the network;

collecting [desired price information corresponding to a price desired to purchase the product proposed by each bidder in the auction, and] a maximum margin of the price acceptable to pay proposed by each bidder via the network; and

if the auction assumes a competitive state [by the desired price information proposed] by the plurality of bidders proposing the same conditions, increasing a bid price and resolving the competitive state in accordance with the increased bid price and the maximum margins proposed by the competitive bidders.

24. (Amended) A computerized auction apparatus for performing an auction and resolving a competitive state among a plurality of bidders, the apparatus connected to a plurality

of bidder terminals <u>used</u> by <u>respective bidders</u> via a network, comprising:

means for providing information on a product to be auctioned via the network;

means for collecting [desired price information corresponding to a price desired to purchase the product proposed by each bidder in the auction, and] a maximum margin corresponding to the price acceptable to pay proposed by each bidder via the network; and

means, if the auction assumes a competitive state [by the desired price information proposed] by the plurality of bidders proposing the same conditions, for increasing a bid price and resolving the competitive state in accordance with the increased bid price and the maximum margins proposed by the competitive bidders.

32. (Amended) A computerized auction apparatus for performing an auction and resolving a competitive state among a plurality of bidders, the apparatus connected to a plurality of bidder terminals used by respective bidders via a network, comprising:

a storage device storing a program; and

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a processor, connected to said storage device, executing the following steps according to the program:

providing information on a product to be auctioned via the network;

collecting [desired price information corresponding to a price desired to purchase the product proposed by each bidder in the auction, and] a maximum margin corresponding to the price acceptable to pay proposed by each bidder via the network; and

if the auction assumes a competitive state [by the desired price information proposed] by the plurality of bidders proposing the same conditions, increasing a bid price and resolving the competitive state in accordance with the increased bid price and the maximum margins proposed by the competitive bidders.

33. (Amended) A program storage device readable and executable by an auction apparatus for performing an auction method and resolving a competitive state among a plurality of bidders, the apparatus connected to a plurality of bidder terminals used by respective bidders via a network, said method including the following steps:

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providing information on a product to be auctioned via the network;

collecting [desired price information corresponding to a price desired to purchase the product proposed by each bidder in the auction, and] a maximum margin of the price acceptable to pay proposed by each bidder via the network; and

if the auction assumes a competitive state [by the desired price information proposed] by the plurality of bidders proposing the same conditions, increasing a bid price and resolving the competitive state in accordance with the increased bid price and the maximum margins proposed by the competitive bidders.